GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:1407
ANSWERED ON:26.02.2003
DISINVESTMENT OF HINDUSTAN ORGANIC CHEMICALS
AJAY CHAKRABORTY;P.C. THOMAS

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Hindustan Organic Chemicals is going to be disinvested;

(b) if so, the facts thereof;

(c) whether an earlier move to disinvest did not succeed due to lack of purchasers;

(d) if so, whether the Government intend to compensate the prospective buyer so as to reduce the loss;

(e) if so, the details thereof;

(f) whether a sum of Rs. 300 crores or below has be.en earmarked for this company; (g) if so, the time by which the said amount is likely to be given; (h) whetherthere is any scheme to give this amount as an incentive to a prospective buyer; and (i) if so: the details thereof?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE):

(a) Yes, Sir.

(b) Government has decided to disinvest of 32.61% equity in Hindustan Organic Chemicals Ltd. (HOCL) through strategic sale.

(c) No, Sir.

(d) and (e) Does not arise.

(f) to (i) Due to the deteriorating financial position of HOCL, Government has approved afinancial restructuring package for HOCL which would be effective only in case HOCLgets disinvested and there is transfer of management control to the strategic partner. The financial restructuring package is intended to improve the profitability of HOCL. Theexact quantum of assistance couid be indicated only on the disinvestment reaching the final stage.